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C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 001024

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TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ECON](#) [CH](#) [TW](#)
SUBJECT: NPC CLOSES MARCH 18; PREMIER HOLDS PRESS
CONFERENCE ON TIBET, TAIWAN, "EMANCIPATING THE MIND"

REF: A. BEIJING 1002

[1](#)B. BEIJING 984
[1](#)C. BEIJING 809

Classified By: Political Section Internal Unit Chief Dan Kritenbrink.
Reasons 1.4 (b) and (d).

Summary

[1](#)1. (C) In the March 18 final session of the National People's Congress (NPC), President Hu Jintao called for continued reforms, effective and clean government, a spirit of pragmatism and innovation and the raising of China's international stature. Premier Wen Jiabao, in an extended press conference following the session's close, underscored the leadership's current line on Tibet, took a low-key approach to Taiwan, acknowledged the challenge of continuing economic growth while curbing inflation and promoting social equity and justice, said China was making progress in reforming its judicial system and, like Hu, called for pragmatism and innovation. Wen also introduced his four new Vice Premiers. At the closing session, NPC deputies adopted all draft reports up for approval, as is the case every year, and also as in past years, expressed apparent dissatisfaction over continuing corruption by giving the Supreme Court and Procuratorate reports (relatively) low marks. End Summary.

Hu Jintao on Stability, National Pride, Reform

[1](#)2. (SBU) At the end of this year's final NPC session on March 18, President Hu Jintao delivered a rousing closing speech. Speaking without notes or a script, Hu called for democracy, rule of law, social stability and the continuation of robust reforms. Interrupted repeatedly by what appeared to be spontaneous applause, and speaking with patriotic fervor, Hu urged the deputies to make China into a country of which they could all be proud. Hu called for popular "supervision" of the Government and for clean and efficient administration. Setting the tone for Premier Wen Jiabao's remarks at a press conference afterward, he underscored the "profound" changes occurring in China and said that only by "emancipating the mind," continuing with robust reform and holding to a pragmatic and innovative course, would China succeed to take its rightful place in the international community.

Wen Holds Court in the Great Hall of the People

[1](#)3. (SBU) A well-prepared, articulate and confident Premier Wen Jiabao answered questions from Chinese and foreign reporters for two-and-a-half hours at a live press conference following the NPC session. Wen fielded a broad range of questions, including sharp queries on the unrest in Tibet,

the Taiwan election and the detention of dissidents in advance of the Olympics, but he focused primarily on the Government's policies for maintaining growth while curbing inflation and promoting social equity and justice. Wen extended the closing of the conference several times, quipping that "If you don't mind missing your lunch, I am willing to stay."

Tibet

¶4. (SBU) Speaking in measured tones, Wen repeated the leadership's current line that emphasizes the violence, property damage and loss of life in Lhasa, including "extremely cruel" acts, claiming that China wants to resolve the crisis on the basis of "rule of law." He repeated Beijing's allegation that the unrest is being orchestrated by the "Dalai Lama clique" and acknowledged that the unrest had spread to other areas of China and to its diplomatic posts abroad. When asked why China didn't talk with the Dalai Lama directly ala South Africa or Ireland, Wen said that despite the current unrest, China had not backed away from its policy of maintaining an "open door" to talks with the Dalai Lama. When asked why, if China was so confident of the facts on the ground in Tibet, it did not allow media to see for themselves, Wen said Lhasa was returning to normal and reporters could soon travel there, offering to arrange an inspection tour for them.

Taiwan

¶5. (SBU) Premier Wen did not take the bait from Western and Taiwan reporters who raised hypothetical questions about possible Chinese reactions if Taiwan's referendum on joining

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the UN were to pass. Although he reiterated China's mantra that efforts at Taiwan independence were "doomed to fail," he adopted a low-key response that stressed the soft side of China's standard line. He said the reason China opposed the referendum is that it "denied the reality of one China" and would be a serious blow to cross-Straits relations. Chinese on both sides of the Strait should determine the status of Taiwan, and China hoped to resume talks with Taiwan as soon as possible "on any issue," including peace talks to end the state of hostility. In response to a Taiwan reporter's question, he put great emphasis on economic relations and trade, hoping for a quick establishment of the three links following the election. He said China would continue to give preferential treatment to Taiwan businesses and investors even though Taiwan continues to impose restrictions on trade and investment.

Hu Jia case, Human Rights, Legal Reform

¶6. (SBU) Asked about today's opening of the trial of human rights activist Hu Jia on charges of subverting state power, Wen said he would not comment on individual cases, which would be handled "in accordance with the law." He categorically denied that China was engaging in a crackdown on dissidents in advance of the Olympics. In answer to a question of whether China will sign the UN Convention on Civil and Political Rights, he said China was working to make its domestic laws consistent with international norms and would eventually sign the Convention. He also said China was making great progress in reforming its judicial system. Justice, he said, is the objective of judicial reform.

Economic Problems, Plans

¶7. (SBU) Wen was extremely candid regarding the leadership's concerns about the economy. He noted that he was "closely watching" international economic fluctuations and

developments in the U.S. economy, including the "rapid depreciation" of the U.S. dollar, and he was "very worried." He said this year will be "the most difficult" year for China's economy.

-- Wen asserted that to date international economic problems had made a minimal impact on China's economy, claiming that China was insulated to some extent because of its huge potential for continued development, especially in rural areas.

-- The Premier returned repeatedly to the question of inflation in response to reporters' questions, stating that the challenge was to maintain a "balance" between promoting continued growth and guarding against overheating, and that the targets announced in his NPC Government Work Report of an 8 percent annual growth rate and a 4.3 percent rise in the CPI were designed to accomplish this. However, Wen averred, "to be honest," it will not be easy to achieve these goals, especially because of the added economic impact of the severe snowstorms earlier this year.

-- Wen said the storms brought added pressure to curb price rises but the Government had not changed its two-pronged policy for two reasons. First, it demonstrates the Government's resolve to make inflation control the top priority for the year; second, it serves to dampen citizens' inflationary expectations, which "can become more dangerous than the price increases themselves." He said targets were "realistic" because the current stock of grain reserves is between 150 and 200 million tons and there remains an oversupply of industrial goods.

-- Hinting at leadership concern over stability, Wen said China must maintain growth at a certain pace to address employment pressures and needs to create 10 million new jobs a year.

"Emancipating the Mind": Strong Push for Pragmatism

18. (SBU) Wen issued a forceful, if implicit, call for elevating pragmatism over ideology. He said China's progress for 5000 years was a result of reform, pragmatism and innovation, stating that Deng Xiaoping's call when he launched the era of reform 30 years ago to "emancipate the mind" would last as long as it took to make China a modern country. Wen said that leaders in particular should "liberate their thinking" and cultivate a "critical and innovative" mentality. He said the "emancipation" slogan means to "say no to blind faith" and engage in "bold experiments."

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19. ((SBU) He summarized the leadership's biggest challenges in four points:

-- economic growth to promote stability.

-- breakthroughs in both economic and political reform in order to keep moving forward, liberating one's thinking, reform and innovation.

-- social equity and justice along with economic growth, which he called "the first virtue of socialism." He said that developing the economy and improving people's lives is the "duty" of the Government while promoting equity and social justice is its "conscience."

-- national moral strength through cultivating ethical standards, credibility and integrity, which he called a "precious" commodity.

10. (SBU) Wen said his personal motto and challenge to leaders is to take no personal gain but take personal

responsibility; do not fear change; do not blindly follow conventional ways; and do not be deterred by complaints. He said he spends a lot of time on the Internet reading people's concerns, suggestions and criticisms so he can better implement his leadership code of conduct.

New Vice Premiers Attend

¶11. (SBU) Wen brought his four newly "elected" Vice Premiers with him and introduced them to the assembled journalists. However, none of them spoke during the event. When a Western reporter asked a question of Li Keqiang, NPC spokesperson Jiang Enzhu promptly intervened to declare that "this is Premier Wen's press conference, not Li Keqiang's. You will have opportunities in the future to question Vice Premier Li."

Vote Tally on NPC Resolutions, Reports

¶12. (SBU) At the closing session, NPC deputies adopted all draft reports up for approval as is the case every year, and also, as in past years, expressed apparent dissatisfaction over continuing corruption by giving the Supreme Court and Procuratorate reports (relatively) low marks.

Title of Report	For	Against	Abstain	No Vote
Government Work	2885	32	12	3
Social, Economic Dev	2747	125	55	5
Nat'l, Local Budget	2462	362	102	6
NPC Standing Cmttee	2846	57	23	6
Supreme People's Court	2287	521	120	4
Supreme People's Procuratorate	2270	514	142	6

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